



City Manager Report

The City of
OKLAHOMA CITY

NO: 628

DATE: APRIL 28, 2015

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: APRIL 2015 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$960,911 or 0.4% below target for the year.

General Fund Sales Tax

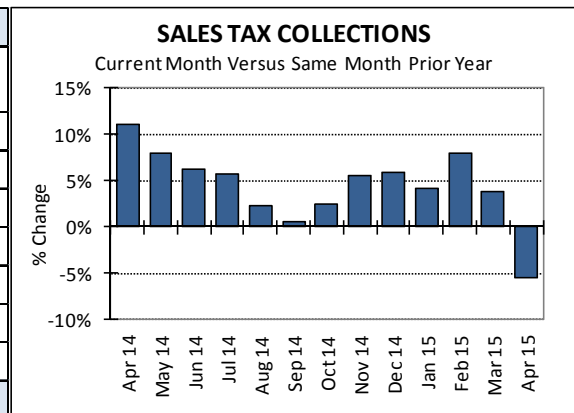
The April allocation of sales tax to the General Fund totaled \$16,629,121, which is:

- \$985,566 or 5.6% below target for the month
- \$969,023 or 5.5% below FY 2014 allocations for the month

The April remittance includes actual collections for the second half of February and estimated collections for the first half of March by major taxpayers.

Sales tax collections are down 5.5% this month. The receipt of a very large retail audit payment this month last year is the main reason for this month's decline. The audit payment contributed to 85% of this month's drop in sales. Netting out this one-time payment would result in a decrease in sales tax of 0.9%. Retail sales were down 9.5%; however, the audit payment is responsible for 96% of this drop. Factoring out the audit, Retail would have been down 0.5%. The 9.9% decline in Services is partly due to a very large payment last year from a single taxpayer.

FY 2015 Sales Tax Performance: Month & YTD			
Major Category	Change from Apr 2015	Year-to-Date % Change	% of Total Sales Tax
Retail	-9.5%	1.5%	50.5%
Hotels & Restaurants	2.1%	5.6%	15.4%
Services	-9.9%	5.7%	11.6%
Wholesale	1.2%	3.7%	9.5%
Utilities	-10.3%	3.5%	7.8%
Manufacturing	12.4%	12.2%	4.1%
Other Miscellaneous	56.5%	4.2%	1.2%
Total	-5.5%	3.4%	100.0%



City Comparison		
City	Apr 2015 Growth Rate	Year-to-Date % Change
Oklahoma City	-5.5%	3.3%
Tulsa	-2.9%	4.1%
Norman	-3.8%	2.8%
Edmond	7.8%	5.1%
Moore	11.3%	0.6%
Midwest City	-4.1%	-2.8%
Yukon	14.4%	5.2%

Rates are normalized to account for tax rate changes

Comparison to Other Cities

Sales tax collections were mixed this month for comparison cities. The above mentioned audit affected several cities around Oklahoma City. Some of the other cities had to refund money to Oklahoma City last year due to the audit and as a result their growth rates increased accordingly this month.

Retail

- General Merchandise – There was modest growth throughout. Discount retailers tended to outperform the higher end retailers.
- Furniture & Home – One retailer remitted a very large audit payment this month last year. Sales were down just 2.8% if you net out the audit payment.
- Miscellaneous Retail – A very small payment this year by one of the largest taxpayers caused most of the decline. Sales were down overall.
- Auto Parts & Supplies – the reclassification of a tire business from Manufacturing to Retail helped boost sales growth this year.
- Pharmacies & Health Stores – Most did well. The addition of a new health store and the reclassification of another store to this category helped sales growth.
- Direct Sales – This is a relatively small category. The majority in the category experienced sales below those of last year.

FY 2015 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Apr 2015	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	1.7%	-0.7%	22.6%
Food Stores	2.4%	6.1%	13.4%
Building Materials and Lawn & Garden	-3.4%	-9.8%	12.6%
Apparel & Accessories	0.4%	5.5%	10.7%
Furniture & Home	-70.5%	-14.9%	9.1%
Electronics & Appliances	0.2%	4.6%	8.4%
Miscellaneous Retail	-12.6%	3.9%	5.8%
Auto Parts & Supplies	6.0%	1.5%	5.3%
Pharmacies & Health Stores	6.7%	13.5%	4.5%
Sporting Goods & Hobby Stores	1.4%	2.4%	4.1%
Convenience Stores	-0.4%	62.5%	2.8%
Direct Sales	-29.1%	12.1%	0.7%
Total	-9.5%	1.5%	100.0%

Other Major Categories

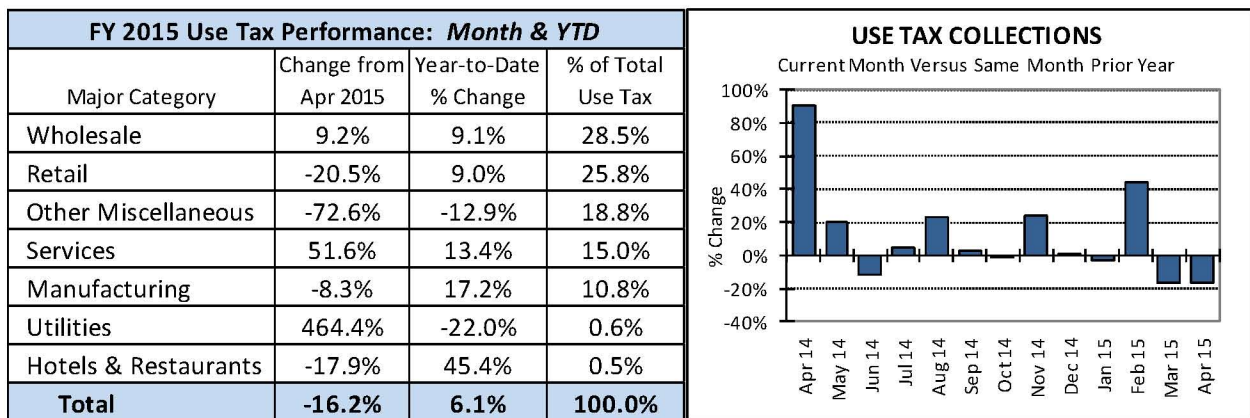
- Hotels & Restaurants increased 2.1% from last year.
 - Hotel revenues fell 9.4% as the majority of hotels reported sales below those of last year.
 - Eating & Drinking Establishments improved by 4.1%.
- Services decreased 9.9% due in part to a large payment last April. Additionally, sales for most service related businesses were down this month.
- Wholesale grew 1.2%. A new large wholesaler helped to offset sales that were otherwise slightly down.
- Utilities sales were down 10.3% largely due to low natural gas sales.
- Manufacturing rose 12.4%. Large payments this month from a couple of manufacturers overshadowed an otherwise mild decline in sales from most other manufacturers.
- Other Miscellaneous jumped 56.5%. However, much of the jump is due to several sizeable refunds last year.

General Fund Use Tax

The March allocation of use tax to the General Fund totaled \$2,467,207 which is:

- \$742,842 or 23.1% below target for the month
- \$477,792 or 16.2% below FY 2014 allocations for the month

Use taxes have been down the last couple of months as collections for two major businesses who have been remitting use tax at elevated levels for some time have reduced back to normal. Two medical refunds this month further hindered this month’s performance.



Staff is available should you have questions or require additional information.


 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
April 2015

	General Fund	Police Public Safety	Fire Public Safety	Zoo	MAPS 3	Sports Facilities Improvement	MAPS for Kids	Police/Fire Equipment	MAPS	Total Sales Tax
Current Month:										
Actual	\$16,629,065	\$3,117,950	\$3,117,950	\$1,039,317	\$8,314,533	-	-	-	-	\$32,218,814
Reallocations	\$56	\$10	\$10	\$3	(\$3,822)	\$880	\$2,150	\$81	\$630	-
Adjusted Actual	\$16,629,121	\$3,117,960	\$3,117,960	\$1,039,320	\$8,310,710	\$880	\$2,150	\$81	\$630	\$32,218,814
Target	\$17,614,687	\$3,302,754	\$3,302,754	\$1,100,918	\$8,962,454	-	-	-	-	\$34,283,567
+/- Target	(\$985,566)	(\$184,794)	(\$184,794)	(\$61,598)	(\$651,744)	\$880	\$2,150	\$81	\$630	(\$2,064,753)
%+/- Target	-5.6%	-5.6%	-5.6%	-5.6%	-7.3%	-	-	-	-	-6.0%
Prior Year Actual	\$17,598,144	\$3,299,652	\$3,299,652	\$1,099,884	\$8,791,029	(\$10)	\$3,302	\$802	\$1,799	\$34,094,255
+/- Prior Year	(\$969,023)	(\$181,692)	(\$181,692)	(\$60,564)	(\$480,319)	\$890	(\$1,152)	(\$720)	(\$1,169)	(\$1,875,441)
%+/- Prior Year	-5.5%	-5.5%	-5.5%	-5.5%	-5.5%	-9193.0%	-34.9%	-89.8%	-65.0%	-5.5%
Year-to-Date:										
Actual	\$182,639,013	\$34,244,815	\$34,244,815	\$11,414,938	\$91,319,507	-	-	-	-	\$353,863,088
Reallocations	\$3,443	\$646	\$646	\$215	(\$88,727)	\$34,886	\$34,356	\$3,383	\$11,152	-
Adjusted Actual	\$182,642,456	\$34,245,461	\$34,245,461	\$11,415,153	\$91,230,779	\$34,886	\$34,356	\$3,383	\$11,152	\$353,863,088
Target	\$182,711,901	\$34,258,482	\$34,258,482	\$11,419,494	\$91,415,217	-	-	-	-	\$354,063,576
+/- Target	(\$69,445)	(\$13,022)	(\$13,022)	(\$4,341)	(\$184,438)	\$34,886	\$34,356	\$3,383	\$11,152	(\$200,488)
%+/- Target	-	-	-	-	-0.2%	-	-	-	-	-0.1%
Prior Year Actual	\$176,767,532	\$33,143,912	\$33,143,912	\$11,047,971	\$88,283,363	\$28,986	\$43,545	\$2,271	\$19,726	\$342,481,219
+/- Prior Year	\$5,874,924	\$1,101,548	\$1,101,548	\$367,183	\$2,947,416	\$5,900	(\$9,189)	\$1,112	(\$8,574)	\$11,381,869
%+/- Prior Year	3.3%	3.3%	3.3%	3.3%	3.3%	20.4%	-21.1%	48.9%	-43.5%	3.3%
						(1)	(1)	(1)	(1)	(2)

NOTES:

- (1) The **Sports Facilities Improvement, Maps for Kids, Police/Fire Equipment** and **MAPS** taxes expired in prior years, therefore, only current year reallocation activity is presented for these funds.
- (2) The percentages listed will differ from those on the Sales and Use Tax City Manager Report slightly due to the inclusion of administrative fee, interest and reallocation on this report.

CITY OF OKLAHOMA CITY
USE TAX COLLECTIONS
April 2015

	<u>General Fund</u>	<u>MAPS 3</u>	<u>Sports Facilities Improvement</u>	<u>City & Schools</u>	<u>Police/Fire Equipment</u>	<u>MAPS</u>	<u>Total Use Tax</u>
Current Month:							
Actual	\$2,467,207	\$858,159	-	-	-	-	\$3,325,366
Reallocations	\$0	\$8	(\$7)	(\$1)	(\$0)	-	-
Adjusted Actual	\$2,467,207	\$858,167	(\$7)	(\$1)	(\$0)	-	\$3,325,366
Target	\$3,210,049	\$945,821	-	-	-	-	\$4,155,871
+/- Target	(\$742,842)	(\$87,654)	(\$7)	(\$1)	(\$0)	-	(\$830,504)
%+/- Target	-23.1%	-9.3%	-	-	-	-	-20.0%
Prior Year Actual	\$2,944,999	\$1,024,492	\$4	(\$149)	\$1	-	\$3,969,346
+/- Prior Year	(\$477,792)	(\$166,324)	(\$11)	\$148	(\$1)	-	(\$643,980)
%+/- Prior Year	-16.2%	-16.2%	-279.3%	-99.4%	-132.14%	-	-16.2%
Year-to-Date:							
Actual	\$32,145,878	\$11,181,175	-	-	-	-	\$43,327,053
Reallocations	(\$0)	(\$3,394)	\$577	\$2,845	(\$46)	\$18	-
Adjusted Actual	\$32,145,878	\$11,177,781	\$577	\$2,845	(\$46)	\$18	\$43,327,053
Target	\$33,037,344	\$11,293,091	-	-	-	-	\$44,330,435
+/- Target	(\$891,466)	(\$115,309)	\$577	\$2,845	(\$46)	\$18	(\$1,003,381)
%+/- Target	-2.7%	-1.0%	-	-	-	-	-2.3%
Prior Year Actual	\$30,309,490	\$10,510,983	\$22,449	\$8,252	\$265	\$27	\$40,851,465
+/- Prior Year	\$1,836,388	\$666,799	(\$21,872)	(\$5,407)	(\$311)	(\$9)	\$2,475,588
%+/- Prior Year	6.1%	6.3%	-97.4%	-65.5%	-117.4%	-33.3%	6.1%
			(1)	(1)	(1)	(1)	(2)

NOTES:

(1) The **Sports Facilities Improvement, City & Schools, Police/Fire Equipment** and **MAPS** taxes expired in prior years, therefore, only current year reallocation activity is presented for these funds.

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